



Environmental Services Division
Land Quality Bureau

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Energy prices see downward trend

“After seeing record prices at the gas pump month after month this year, drivers are finally seeing some relief,” said Tommi Makila, an Iowa Department of Natural Resources Energy Policy Analyst. “Crude oil prices have been going down, which in turn has meant lower gasoline and diesel prices. Lower oil prices are mainly due to reduced demand caused by high prices and slowing economies in the U.S. and elsewhere.”

The August 18th average price of 10 percent ethanol blended mid-grade gasoline in Iowa was \$3.54 per gallon, a ten percent decrease from July’s average price of \$3.93 per gallon. The current price is 28 percent higher than the August 2007 price of \$2.77 per gallon of the same blend.

The August 18th average price for diesel in Iowa was \$4.23 per gallon, \$0.46 lower than July’s price. The current diesel price is 42 percent higher than the August 2007 price of \$2.98.

Crude oil prices have seen a steady downward trend in the last month. A barrel of West Texas Cushing Sweet Crude Oil settled at \$113.77 on August 15th. The August 15th price is a 15 percent decrease over July’s price of \$134.60. However, current oil prices are 59 percent higher than the August 2007 price of \$71.49.

The last month has brought particularly good news for Iowans who use natural gas for heating. Since early July, there has been a continued, significant decrease in natural gas prices. “It appears the natural gas price spike earlier this year was more of a speculative bubble. Natural gas supply situation looks good right now, and the recent price decline reflects that reality,” Makila said.

On August 15th, natural gas was trading at \$7.82/MMBtu, down \$3.40/MMBtu from last month and \$0.52 higher than one year ago, a seven percent increase. The U.S. Department of Energy, Energy Information Administration reports that working natural gas in storage as of August 8, 2008 was 2,567 billion cubic feet (Bcf), 6 Bcf below the 5-year average (2003-2007), and 330 Bcf below the level during the corresponding week last year.

A survey completed by the Iowa Department of Natural Resources on August 15, 2008, indicated that the average retail price of heating oil in Iowa was \$3.78 per gallon, \$0.55 lower than last

month, and \$1.17 higher than the price of heating oil at this time last year, a 45 percent increase. The same survey found that propane is selling in Iowa for an average of \$2.13 per gallon across the state, \$0.08 lower than a month ago. The current price is \$0.60 higher than the price in August of last year, a 39 percent increase.

To limit the financial impact of high energy prices, consumers should make improvements to their homes' and vehicles' energy efficiency. Tips for saving energy and money at home and on the road are available at www.EnergySavingTips.gov.

10% Ethanol Average Retail Price Per Gallon -- Major Iowa Cities

Self-Serve Ethanol	8/18/08	7/15/08	Difference
Ames	\$3.53	\$3.93	-\$0.40
Cedar Rapids	\$3.61	\$3.93	-\$0.32
Council Bluffs	\$3.46	\$3.86	-\$0.40
Davenport	\$3.68	\$4.02	-\$0.34
Des Moines	\$3.44	\$3.95	-\$0.51
Dubuque	\$3.60	\$3.92	-\$0.32
Fort Dodge	\$3.61	\$3.91	-\$0.30
Iowa City	\$3.65	\$3.98	-\$0.33
Sioux City	\$3.45	\$3.90	-\$0.45
Waterloo	\$3.50	\$3.89	-\$0.39
Webster City	\$3.57	\$3.94	-\$0.37
Average Metro Price	\$3.55	\$3.93	-\$0.38

Source: Oil Price Information Service, www.opisnet.com

Motor Fuels Survey State Average Price Per Gallon

Self-Serve	8/18/08	7/15/08	Difference
Regular Unleaded with 10% Ethanol	\$3.54	\$3.93	-\$0.39
Regular Unleaded	\$3.60	\$3.99	-\$0.39
Premium Unleaded	\$3.68	\$4.07	-\$0.39
Diesel	\$4.23	\$4.69	-\$0.46

Source: Oil Price Information Service, www.opisnet.com

Heating Fuels Survey

Heating Fuel Type	8/15/08	7/16/08	Difference
Natural Gas	7.82/MMbtu	11.22/MMbtu	-\$3.40/MMbtu

Source: Wall Street Journal

Heating Fuel Type	8/15/08	7/16/08	Difference
Propane	\$2.13	\$2.21	-\$0.08
#2 Heating Oil	\$3.78	\$4.33	-\$0.55

Source: Iowa Department of Natural Resources

